

M E M O R A N D U M

DATE: January 16, 2009

TO: Mayor & City Council

FROM: Mitchell Johnson, City Manager

SUBJECT: ITEMS FOR YOUR INFORMATION

NC Marathon

As I mentioned to you in the last IFYI, (01/06/09), I had planned to meet with Chief Tim Bellamy, Mr. Scott Johnson, Ms. Melissa T. Fourrier; Executive Director, Foster Friends of North Carolina, and other organizers of this event on January 9th, to discuss how best we could accommodate the NC Marathon. This meeting was cancelled. Prior to our meeting, Ms. Fourrier announced that the event was going to be held in High Point.

It was disappointing to learn that the NC Marathon board chose to move the marathon to High Point before we had an opportunity to present them with alternatives for accommodating the event. City staff was working diligently to identify creative solutions for ensuring enough manpower would be on hand to secure public safety, while saving money for the charity and the city. Due to the scope and geographical area of the NC Marathon, we would be required to utilize mandatory activation of off-duty personnel at an average rate of \$40-45 per hour, which is time and a half. Mandatory activation requires officers to forego any other plans, personal or professional, and report for work as directed by the Chief of Police. This occurred last year during the 2008 NC Marathon.

It was important that we do the due diligence in considering the request from the NC Marathon Board. Currently the city sponsored events cost close to a half million dollars which is absorbed by the Police Department and is not a planned part of their budget. While the City wanted to support the event, in the context of the already sponsored events, we wanted to ensure that we did not add to the already growing budget deficit as well as create a precedent that we could not afford to sustain. However, the City of

Greensboro will continue to support the NC Marathon in 2009 by assisting High Point. The HP Police Department contacted Greensboro Police Department to request logistical and planning assistance as they have never hosted an event of this size and depth.

I understand Council may consider adding the NC Marathon to its list of sponsored events this year. I welcome the opportunity to work on this through the budget process.

Greensboro Partnership Annual Dinner

Mr. Pat Danahy, President, Greensboro Partnership, is providing a table for City Council for this dinner, at no charge. The event is scheduled on Thursday, January 29, 2009 from 6:00-9:00 pm, in the Imperial Ballroom of the Koury Convention Center.

Greensboro Police Take Home Vehicles

Councilmember Wade requested that the Greensboro Police Department provide information on a take home car program for police officers who reside within the city limits of Greensboro. I directed Chief Tim Bellamy to look into this program. I asked he review any studies that had been conducted by the department; contact our Budget & Evaluation Office for cost of implementing the program; and gather input from the Human Resources Department concerning any issues regarding Fair Labor Standards Act (FLSA) as it would apply to officers in take home vehicles. After several months of research Chief Bellamy has submitted the attached report. The report looks at take home vehicles by officers living inside the City (requires 55 vehicles), by officers living in Guilford County (requires 100 vehicles), and by officers living outside of Guilford County (requires 160 vehicles). The first year cost for the take home vehicle program for each level is; inside City \$2,737,075.00; inside Guilford County \$4,976,500.00; outside Guilford County \$7,762,400.00. If you have any questions, please call Chief Bellamy, at 373-2450.

Status of Zoning Violations at 2316 Randleman Rd. (Nina's Dream)

Councilmember Wade had made an inquiry concerning potential zoning violations at this location. Mr. Dick Hails, Planning Director, provided the following update. The Planning Department had a report from a police officer that witnessed Sexual Oriented Business use (topless dancing) at this site in mid-December. That use is not permitted here. The Planning Department issued a Notice of Violation for Sexual Oriented Business use on 12/17. Several staff members have visited the site since, with no evidence of additional Sexual Oriented Business use. They have had one citizen report (from Ben Holder) of a topless show on 12/20. Planning staff will continue to monitor, with continued assistance from Police for late night monitoring. During the week of 1/6, they were investigating whether the site is a legitimate restaurant, vs. a bar, which is also not permitted at this site. They visited 1/7, were given a meal menu and witnessed meal-related activity in the kitchen. They intend on visiting again within the next week to observe meal service and expect to continue to monitor the site. The Planning Department Staff also spoke with Nina, the business owner, during their visit on 1/7; she

seemed very forthcoming and committed to maintaining an active restaurant use at the establishment. She said they also plan to deliver meals to various sites and to hold live entertainment events, which are not restricted, as long as the restaurant use remains the principal use of the site. If you have questions, please contact Mr. Hails at 373-2922.

Bank Bids on Installment Financing Agreement (Property Purchase/Guaranteed Energy Savings)

Several Council Members have expressed interest in the bank rate bids acquired by Mr. Rick Lusk to implement the installment financing agreement. I have attached the summary he used to acquire the bid. If you have any questions, please contact Mr. Lusk at 373-2077.

Clarification on Public Affairs Consultant Services (November Report of Budget Adjustments)

Consulting line item: 101040201 5413
Appropriation: 39,075
Balance: 34, 545

This budget item is for the primary purpose of hiring consulting engineers for Channel 13. Channel 13 is totally an analogue operation. Channel 13's operation is approximately 14 years old. All new equipment is digital based. In anticipation of receiving grants from the state franchising authority and appropriations from Time-Warner, Channel 13 budgeted for engineering assistance to develop an engineering blueprint for the future and money to pay for installation of equipment. The grants money is for use on hardware only, not engineering or installation. If you have additional questions, please contact Mrs. Pat Boswell, Public Affairs Director, at 373-2600.

Coliseum Fund Balance for Appropriations

At the January 6, 2009 City Council meeting, Mr. Bill Knight presented financial information on Coliseum cash balances that proposed using a portion of those balances to minimize the financing cost in purchasing the Canada Dry properties.

However, as Mr. Matt Brown, Coliseum Managing Director, stated at the meeting, most of the cash balance is payable to event promoters for advance ticket sales we collect on their behalf which is subsequently paid out upon event settlement.

Below is a spreadsheet prepared by the Deputy Finance Director showing the statutory calculation of fund balance available for appropriation at June 30, 2008, of \$441,611 [G.S. 159-13 (b) (16)]. This amount is determined after deducting (1) loan proceeds being used to fund costs of the Coliseum energy saving capital project and (2) accounts payable and other obligations and restricted cash amounts.

Coliseum Unrestricted Fund Balance, Available for Appropriation
30-Jun-08

\$3,618,498	Coliseum Cash on Hand, Unrestricted
<u>2,247,100</u>	Coliseum Cash on Hand, Restricted Proceeds from Energy Saving Capital Financing
	Total Cash on Hand
<u>5,865,598</u>	
	Less Coliseum Cash on Hand, Restricted Proceeds from Energy Saving Capital Financing
(2,247,100)	
(2,422,632)	Less Accounts Payable (mainly related to event prepaid tickets, associated expenses)
(358,258)	Less Prepaid Revenues
(395,997)	Less Encumbrances (PO's, Contracts Outstanding)
<u><u>\$441,611</u></u>	Unrestricted Fund Balance, Available for Appropriation as of 6/30/08

Prepared by Finance Department
1/7/09

The fund balance available for appropriation represents a working capital balance of 3.39% of Coliseum Operating Fund expenditures for the fiscal year ended June 30, 2008. If you have additional questions, please contact Mr. Rick Lusk at 373-2077.

Greensboro Police invited to serve in the Presidential Inaugural

As you know Greensboro Police Department has been invited to send 50 officers to serve in Washington, DC January 18 – January 21 to assist with security at the Presidential Inaugural. This assignment is an honor bestowed on a few police forces across the country. Charlotte/Mecklenburg Police Department will also send 50-60 officers and NC's Highway Patrol is sending officers as well. GPD officers will serve alongside the Secret Service, Homeland Security and FBI personnel. This is the second time that our Police Department has been selected for this honor. All of the costs expended by the GPD will be reimbursed by the Federal Government. If you have questions, please contact Chief Tim Bellamy at 373-2450.

Attachment:

- 1) Take Home Vehicles #2
- 2) Bank Bids

Attachment:

Date: January 14, 2009

To: Timothy R. Bellamy, Chief of Police

From: Captain Brian A. Cheek, Patrol Bureau, Western Division

Subject: **TAKE HOME VEHICLES**

History

At the October 6, 2008 City Council meeting, Councilwoman Trudy Wade requested information on take home vehicles for police officers who reside within the city limits of Greensboro. As a result of this request, you directed me to examine our current fleet to determine how many vehicles would be needed to accomplish this task and the costs associated with these purchases.

Presently, the department allows certain officers (command staff, specialized units such as traffic safety and detectives) to drive a police vehicle to and from work as long as they reside in Guilford County. These officers, including members of the command staff, are required to pay a specified amount for this privilege. This amount is based on the mileage from the officer's home to their place of work. This is an unusual concept considering the Guilford County Sheriffs Department and the High Point Police Department allow their officers to drive assigned vehicles to and from work at no charge. It should be noted that the Department does allow officers who reside outside of Guilford County to park their vehicles at a secure facility (fire station or a Guilford County Sheriffs Department sub-station) inside the county.

In January 2000, under the direction of former Chief Robert White, the Department formed a committee to examine the possibility of all sworn personnel being assigned a take home vehicle. The committee noted several benefits of take home vehicles including:

- Increased visibility in the community
- Crime deterrence
- Improved maintenance and longevity of vehicles (seven years as opposed to three years)
- Higher employee morale
- Quicker response and more vehicles available in case of emergencies
- Excellent recruitment tool

Since the purchase of police vehicles (especially patrol vehicles) is such a huge expenditure, the committee recommended that officers who resided in the City be the first to receive take home vehicles. Vehicles for officers outside the city would be "phased" in over a six year period with twenty-five (25) vehicles being purchased a year until all officers were assigned a take home car.

Present

The Department currently has 594 sworn police officers. 301 (320 if fully staffed) officers are assigned to the Patrol Bureau which is comprised of four divisions. The Captain, Lieutenant, Watch Commander, and the Community Resource Team members are the only personnel who have take home vehicles. Each division is assigned a fleet (forty vehicles) with officers sharing patrol vehicles. The patrol vehicles are driven daily and are usually put out of service after three years or 85,000 miles. As noted in the 2000 Take Home Study, a take home patrol vehicle is expected to have a lifespan of at least seven years.

Of the 301 officers assigned to the Patrol Bureau, 105 reside in Greensboro (seven have take home cars). Ninety-eight (98) patrol officers would be eligible to drive a take home vehicle if approved by the City Council. This would require the Department to purchase fifty-five (55) new patrol vehicles in order to provide enough take home cars and also provide an adequate amount of vehicles to ensure the delivery of police services is not interrupted due to an insufficient number of patrol cars. Patrol officers currently work a 5/4 schedule (5 days on / 4 days off), with an anticipated schedule change to occur in February 2009. The new schedule will require officers to work a 4/4 shift (4 days on / 4 days off) If officers were allowed to drive a vehicle home, this would mean the vehicle would not be utilized on their four days off. Therefore, given the fact that 160 vehicles are assigned to the Patrol Division and ninety-eight (98) officers would be eligible to drive a take home car if approved, only sixty-two (62) vehicles would be available for the four divisions to share. This is obviously an inadequate number since each division is currently assigned forty (40) vehicles.

Listed below are the costs associated with the purchase of fifty-five (55) patrol vehicles for officers residing within the city limits of Greensboro. I have included first year and second year costs as well as the costs of all of the necessary equipment.

Costs of Patrol Vehicles for Officers Inside City of Greensboro

2008 Crown Victoria	Year One		Year Two	
	Capital	M&O	M&O	
Vehicle	\$ 23,000.00	\$ 23,000.00		
Equipment	\$ 2,000.00		\$ 2,000.00	
Radio	\$ 4,000.00		\$ 4,000.00	
Radio Lease	\$ 945.00		\$ 945.00	\$ 945.00
Computer	\$ 2,980.00		\$ 2,980.00	\$ 2,980.00
			\$ -	
Console	\$ 180.00		\$ 180.00	
Installation	\$ 2,500.00		\$ 2,500.00	
Lease	\$ 9,660.00		\$ 9,660.00	\$ 9,660.00
Fuel	\$ 4,500.00		\$ 4,500.00	\$ 4,500.00
TOTAL COSTS PER VEHICLE	\$ 49,765.00	\$ 23,000.00	\$ 26,765.00	\$ 18,085.00
TOTAL COSTS FOR 55 VEHICLES	\$2,737,075.00	\$1,265,000.00	\$1,472,075.00	\$ 994,675.00

If you include the number of officers who reside in Guilford County, the amount of vehicles needed to adequately deliver police services would greatly increase. Presently, there are 189 officers assigned to the Patrol Bureau who either reside in the City of Greensboro or in Guilford County. In order to provide take home cars to these employees, approximately 100 vehicles would need to be purchased. It would be unusual to purchase this many vehicles at one time since it is such a large expenditure. Given this fact and if approved by the City Council, I am recommending that the purchases be made in phases over a three year period. The recommendation made by the committee in the 2000 study indicated a four to six year window to purchase the vehicles. Officers would be assigned patrol vehicles based on rank and seniority until all of the purchases were made.

Listed below are the costs associated with the purchase of 100 patrol vehicles. I have included first year and second year costs as well as the costs of all of the necessary equipment.

Costs of Patrol Vehicles for Officers Inside City of Greensboro and Guilford County

		Year One		Year Two
2008 Crown Victoria		Capital	M&O	M&O
Vehicle	\$ 23,000.00	\$ 23,000.00		
Equipment	\$ 2,000.00		\$ 2,000.00	
Radio	\$ 4,000.00		\$ 4,000.00	
Radio Lease	\$ 945.00		\$ 945.00	\$ 945.00
Computer	\$ 2,980.00		\$ 2,980.00	\$ 2,980.00
			\$ -	
Console	\$ 180.00		\$ 180.00	
Installation	\$ 2,500.00		\$ 2,500.00	
Lease	\$ 9,660.00		\$ 9,660.00	\$ 9,660.00
Fuel	\$ 4,500.00		\$ 4,500.00	\$ 4,500.00
TOTAL COSTS PER VEHICLE	\$ 49,765.00	\$ 23,000.00	\$ 26,765.00	\$ 18,085.00
TOTAL COSTS FOR 100 VEHICLES	\$4,976,500.00	\$2,300,000.00	\$2,676,500.00	\$ 1,808,500.00

To provide a take home vehicle to all of the officers assigned to the Patrol Bureau, the Department would need to purchase 160 vehicles. Officers who reside outside of Guilford County would park their vehicle at a secure facility within Guilford County and drive to and from work from that location. Officers who reside in Greensboro and within Guilford County would drive their take home vehicles to and from work and park the vehicle at their residence.

Costs of Patrol Vehicles for All Officers Assigned to the Patrol Bureau

		Year One		Year Two
2008 Crown Victoria		Capital	M&O	M&O
Vehicle	\$ 23,000.00	\$ 23,000.00		
Equipment	\$ 2,000.00		\$ 2,000.00	
Radio	\$ 4,000.00		\$ 4,000.00	
Radio Lease	\$ 945.00		\$ 945.00	\$ 945.00
Computer	\$ 2,980.00		\$ 2,980.00	\$ 2,980.00
			\$ -	
Console	\$ 180.00		\$ 180.00	
Installation	\$ 2,500.00		\$ 2,500.00	
Lease	\$ 9,660.00		\$ 9,660.00	\$ 9,660.00
Fuel	\$ 4,500.00		\$ 4,500.00	\$ 4,500.00
TOTAL COSTS PER VEHICLE	\$ 49,765.00	\$ 23,000.00	\$ 26,765.00	\$ 18,085.00
TOTAL COSTS FOR 160 VEHICLES	\$7,962,400.00	\$3,680,000.00	\$4,282,400.00	\$ 2,893,600.00

Conclusion

The delivery of police services is one of the most visible duties performed by City of Greensboro employees. It is also one of the costliest since the procurement of patrol vehicles is a necessity because of our unique job function. Offering take home vehicles to police officers has many benefits as noted in the 2000 study. Increased visibility, higher employee morale, and increased longevity of the patrol vehicles are just a few advantages of a take home vehicle program. Neighboring law enforcement agencies provide take home vehicles to their employees at no charge. This benefit is extremely helpful in recruiting and retaining qualified personnel.

The take home vehicles will be driven by personnel to and from work, court, training, and off-duty work. ***There will be no personal use of the vehicles allowed*** and the Department will adopt a strict policy that clearly outlines the intent of this program. Mr. David Bailey, Compliance Officer with the City of Greensboro's Human Resources Department, was contacted to clarify any issues regarding the Fair Labor Standards Act (FLSA) and take home vehicles. Mr. Bailey indicated the Department should have a

well-written policy that explains what is expected of employees and what is prohibited. For example, employees will take action to and from work only when immediate police presence is needed (accident involving personal injury, serious assault, robbery, etc.). Officers will be discouraged from taking action in routine situations while traveling to and from work. Mr. Bailey stated driving to and from work in a City owned vehicle is not considered work time and the employee would not be due any compensation for this privilege.

As noted earlier, the purchase of take home vehicles could be implemented in phases to reduce the amount of capital needed at one time. For example, the fifty-five vehicles needed for officers who reside in Greensboro could be assigned based on seniority until all of the purchases are made. According to Mr. Steve Simpson, Equipment Services manager for the City of Greensboro, the purchase of fifty-five vehicles may take six to eight months before they would be operational. As recommended earlier, the vehicles could be purchased for those officers inside the City first and then for those officers who reside in Guilford County. Officers who reside outside of Guilford County would be the last to receive the vehicles. The vehicles could be purchased over a three year period to prevent resources from one fiscal year being adversely impacted.

Brian A. Cheek, Captain
Patrol Bureau, Western Division

Attachment:

Proposals on Non-Bank Qualified Installment Financing Agreements
Bids due December 9, 2008

Tax-Exempt Financing of Guaranteed Energy Savings Contract of \$6,100,000

	<u>Interest Rate</u>	<u>Total P&I</u>	
RBC Bank	4.38%	7,984,334.37	13-year term w/ 0.5% prepayment penalty plus adjustment if interest rate less than Bank rate, on any payment due date.
BB&T	4.59%	8,292,123.70	13-year term w/ 1% prepayment penalty on any payment due date.
SunTrust - Option A	4.56%	8,262,003.92	13-year term w/ 3% prepayment penalty on any payment due date.
SunTrust - Option B	4.76%	8,367,394.57	13-year term w/ no prepayment penalty on any payment due date.
Bank of America	4.71%	8,562,526.42	13-year term w/ 2% prepayment penalty on any payment due date.

Financing of Property Purchases (combined bid requested)

Taxable Financing of \$2,130,000 on Coliseum Inn & Tax-Exempt Financing of \$3,240,000 on Canada Dry

	<u>Coliseum Inn</u>	<u>Canada Dry</u>	<u>Total P&I</u>	
RBC Bank	no bid	no bid	-	
BB&T	6.18%	3.96%	6,646,161.39	59 mo. term w/ 1% prepayment penalty, May prepay on any annual payment date.
SunTrust	no bid	no bid	-	
Bank of America	4.96%	4.19%	6,553,886.20	59 mo. term w/ prepayment penalty for first two years if interest rate less than Treasury rate; then, no prepayment penalty after two years. May prepay on the first business day of each mo.

Non-Bank Qualified Loans: Banks may not deduct loan expenses on tax-exempt financings if the City is considered a "large issuer," that is, if the City issues \$10 million or more in debt in the same year as the bank loan. This usually results in a higher interest rate to the City in those years than it would receive if it were a "small Issuer."